

**REMARKS/ARGUMENTS**

Prior to entry of this amendment, claims 1-78 and 80-86 were pending in this application. Claims 1, 13, 25, 40, 57, and 74 have been amended, no claims have been added, and no claims have been canceled herein. Therefore, claims 1-78 and 80-86 remain pending. Applicant respectfully requests reconsideration of these claims for at least the reasons presented below.

**35 U.S.C. § 102 Rejection, Koakutsu**

The Office Action rejected claims 25-28, 35-37, 39-45, 52-54, 56-62, 69-71, 73-78, and 80-86 under 35 U.S.C. § 102(e) as being anticipated by U. S. Patent No. 6,902,105 to Koakutsu (hereinafter “Koakutsu”). The Applicant respectfully submits the following arguments pointing out significant differences between claims 25-28, 35-37, 39-45, 52-54, 56-62, 69-71, 73-80, and 85-86 submitted by the Applicants and Koakutsu.

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” MPEP 2131 citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Applicants respectfully argue that Koakutsu fails to disclose each and every claimed element. For example, Koakutsu fails to disclose, either expressly or inherently, determining whether the merchant is allowed to process corporate transactions, i.e., corporate checks. Furthermore, Koakutsu fails to disclose such a determination based on a status of the merchant.

Koakutsu is directed to “capturing image data from negotiable instruments such as checks used for settling transactions.” (Col. 1, lines 10-11) More specifically, Koakutsu is directed to “a negotiable instrument processing apparatus, method, and system for minimizing

the data size of the image data captured from a check or other negotiable instrument during electronic payment processes.” (Col. 1, lines 49-53) Under Koakutsu “the reading process time and data size of the resulting image data can both be reduced by thus capturing image data from the negotiable instrument by scanning only a defined reading area.” (Col. 1, lines 63-67)

However, Koakutsu does not disclose, expressly or inherently, determining whether the merchant is allowed to process corporate transactions, i.e., corporate checks, based on the merchant’s status. Rather, Koakutsu notes that business checks and personal checks are different sizes and describes setting the reading area for the check accordingly. (See col. 12, lines 14-38)

In response to these arguments, the final Office Action notes that under Koakutsu:

“An appropriate reading area is set (S603) by the reading area determination unit 206 according to the identified check size, and the scanning process setup command 60 with the reading area specified using function code fn=41 is sent by the command transmission unit 208 to the check processing apparatus 110 (S604). The host computer 200 can set the reading area to the same size as the check, or to a smaller area removing white space from the area of the check size.” (Final Office Action page 10-11 citing Koakutsu col. 12, lines 30-38)

The final Office Action then goes on to argue that:

“Accordingly, upon determining the check is a corporate check, it is inherently that a determination is made on whether or not it is allowed to process the check and how to process the check (i.e., if the system is not programmed/set up for processing a corporate check, then it is inherently that the corporate check cannot be processed).” (Final Office Action page 11)

Thus, the final Office Action seems to be arguing that in the event that a point-of-sale device or check processing apparatus is not configured to operate according to the teachings of Koakutsu, and thus unable to process corporate checks as described therein, there is a determination or decision occurring as to whether such processing should be allowed. The Applicants respectfully contend that such a failure or inability to properly process a corporate

check cannot reasonable be considered to describe making a determination or decision, i.e., based on permissions provided to a particular merchant.

As for an inherent teachings of Koakutsu, the Applicants respectfully point out that inherency is a strict standard in which a reference must necessarily produce the proposed feature. Regarding this standard, MPEP §2112 states in part:

"The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. In re Rijckaert, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art); In re Oelrich, 666 F.2d 578, 581-82, 212 USPQ 323, 326 (CCPA 1981). "To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.'" In re Robertson, 169 F. 3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999). . . .

In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art. Ex parte Levy, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990)." (Emphasis original)

The Applicants respectfully contend that Koakutsu does not necessarily produce the proposed feature, i.e., determining whether the merchant is allowed to process corporate transactions, i.e., corporate checks. Rather, the Applicants respectfully maintain that the argument expressed in the final Office Action that "if the system is not programmed/set up for processing a corporate check, then it is inherently that the corporate check cannot be processed" is not a reasonable reading of the reference or the claims and does not support the rejection. Furthermore, to any extent that Koakutsu can be considered to disclose determining whether the subscribing merchant is allowed to process corporate checks based on the merchant's status.

Rather, determinations about a check under Koakutsu regard the size of the check and do not consider a status of the merchant and/or whether the merchant's status allows the merchant to process such transactions.

Claim 25, upon which claims 26-39 depend, recites in part "determining whether the information about the check transaction includes an indicator that indicates that the check transaction involves a corporate check; determining whether the subscribing merchant is allowed to process corporate checks based on the merchant's status; and in response to determining the subscribing merchant is allowed to process corporate checks, determining whether to authorize or decline the check transaction as a corporate check transaction based on the presence of the indicator and the information about the check transaction." Koakutsu does not disclose, expressly or inherently, determining whether the subscribing merchant is allowed to process corporate checks based on the merchant's status and in response to determining the subscribing merchant is allowed to process corporate checks, determining whether to authorize or decline the check transaction as a corporate check transaction based on the presence of the indicator and the information about the check transaction. Rather, Koakutsu notes that business checks and personal checks are different sizes and describes setting the reading area for the check accordingly. For at least these reasons, the Applicants respectfully request withdrawal of the rejection and allowance of the claims.

Claim 40, upon which claims 41-56 depend, recites in part "determining whether the merchant is allowed to conduct corporate type transactions based on the merchant's status; and in response to determining the merchant is allowed to conduct corporate type transactions, determining whether to authorize the financial transaction as a corporate type transaction based at least on whether the information includes an indicator that indicates that the financial transaction is a corporate type transaction." Koakutsu does not disclose, expressly or inherently, determining whether the merchant is allowed to conduct corporate type transactions based on the merchant's status and in response to determining the merchant is allowed to conduct corporate

type transactions, determining whether to authorize the financial transaction as a corporate type transaction based at least on whether the information includes an indicator that indicates that the financial transaction is a corporate type transaction. Rather, Koakutsu notes that business checks and personal checks are different sizes and describes setting the reading area for the check accordingly. For at least these reasons, the Applicants respectfully request withdrawal of the rejection and allowance of the claims.

Claim 57, upon which claims 58-73 depend, recites in part “a processor that determines whether the merchant is allowed to conduct corporate type transactions based on the merchant’s status and determines whether to authorize the financial transaction as a corporate type transaction based at least on whether the information includes an indicator that indicates that the financial transaction is a corporate type transaction.” Koakutsu does not disclose, expressly or inherently, determining whether the merchant is allowed to conduct corporate type transactions based on the merchant’s status and determining whether to authorize the financial transaction as a corporate type transaction based at least on whether the information includes an indicator that indicates that the financial transaction is a corporate type transaction.” Rather, Koakutsu notes that business checks and personal checks are different sizes and describes setting the reading area for the check accordingly. For at least these reasons, the Applicants respectfully request withdrawal of the rejection and allowance of the claims.

Claim 74, upon which claims 75-78 and 80-86 depend, recites in part “a second means for determining whether the merchant is allowed to conduct corporate type transactions based on the merchant’s status and, in response to determining the merchant is allowed to conduct corporate type transactions, authorizing the financial transaction as a corporate type transaction based at least on the information about the financial transaction.” Koakutsu does not disclose, expressly or inherently, determining whether the merchant is allowed to conduct corporate type transactions based on the merchant’s status and, in response to determining the merchant is allowed to conduct corporate type transactions, authorizing the financial transaction

as a corporate type transaction based at least on the information about the financial transaction. Rather, Koakutsu notes that business checks and personal checks are different sizes and describes setting the reading area for the check accordingly. For at least these reasons, the Applicants respectfully request withdrawal of the rejection and allowance of the claims.

**35 U.S.C. § 103 Rejection, Koakutsu in view of Templeton**

Claims 1-3, 5-15, 17-24, 29, 31-34, 38, 46, 48-51, 55, 63, 65-68, 72, and 82-84 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Koakutsu in view of U.S. Patent No. 5,679,940 to Templeton et al. (hereinafter “Templeton”). The Applicants respectfully submit that the Office Action does not establish a *prima facie* case of obviousness in rejecting these claims, as amended. Therefore, the Applicants request reconsideration and withdrawal of the rejection.

In order to establish a *prima facie* case of obviousness, the Office Action must establish: 1) some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or combine their teachings; 2) a reasonable expectation of success of such a modification or combination; and 3) a teaching or suggestion in the cited prior art of each claimed limitation. See MPEP §706.02(j). As will be discussed below, the references cited by the Office Action do not teach or suggest each claimed limitation. For example, none of the references, alone or in combination, teach or suggest determining whether the merchant is allowed to process corporate transactions, i.e., corporate checks.

As discussed in detail above, Koakutsu does not teach or suggest determining whether the merchant is allowed to process corporate transactions, i.e., corporate checks, based on the merchant’s status. Rather, Koakutsu notes that business checks and personal checks are different sizes and describes setting the reading area for the check accordingly.

Templeton is directed to “methods and systems for interactive check authorizations using an electronic transaction terminal for acquiring transaction data at the point of sale.” (Col. 1, lines 10-13) However, Templeton also does not teach or suggest, alone or in combination with Koakutsu, determining whether the merchant is allowed to process corporate transactions, i.e., corporate checks, based on the merchant’s status. Rather, Templeton is silent with regard to corporate checks or transactions.

Claim 1, upon which claims 2-12 depend, recites in part determining whether the electronic information about the check includes an indicator that indicates the presence of an auxiliary on-us field on a magnetic ink character recognition (MICR) associated with the check wherein the presence of the auxiliary on-us field denotes that the check is a corporate check; in response to determining the check includes the indicator, determining whether the subscribing merchant is allowed to process corporate checks electronically based on the merchant’s status; and in response to determining the merchant is allowed to process corporate checks electronically, performing a risk assessment for the corporate check based at least in part on the electronic information to thereby authorize or decline the corporate check.” Neither reference, alone or in combination, teaches or suggests determining whether the subscribing merchant is allowed to process corporate checks electronically based on the merchant’s status and in response to determining the merchant is allowed to process corporate checks electronically, performing a risk assessment for the corporate check based at least in part on the electronic information to thereby authorize or decline the corporate check. Rather, Koakutsu notes that business checks and personal checks are different sizes and describes setting the reading area for the check accordingly while Templeton is silent with regard to corporate checks or transactions. For at least these reasons, the Applicants respectfully request withdrawal of the rejection and allowance of the claims.

Claim 13, upon which claims 14-24 depend, recites in part a processor that determines whether the electronic information about the check includes an indicator that

indicates the presence of an auxiliary on-us field on a magnetic ink character recognition (MICR) associated with the check wherein the presence of the auxiliary on-us field denotes that the check is a corporate check; a merchant database that facilitates determination of whether the subscribing merchant is allowed to process corporate checks electronically based on the merchant's status; and a risk assessment component that assesses risk associated with the corporate check based at least in part on the electronic information to thereby authorize or decline the corporate check if the subscribing merchant is allowed to process corporate checks electronically." Neither reference, alone or in combination, teaches or suggests a merchant database that facilitates determination of whether the subscribing merchant is allowed to process corporate checks electronically based on the merchant's status; and a risk assessment component that assesses risk associated with the corporate check based at least in part on the electronic information to thereby authorize or decline the corporate check if the subscribing merchant is allowed to process corporate checks electronically. Rather, Koakutsu notes that business checks and personal checks are different sizes and describes setting the reading area for the check accordingly while Templeton is silent with regard to corporate checks or transactions. For at least these reasons, the Applicants respectfully request withdrawal of the rejection and allowance of the claims.

**35 U.S.C. § 103 Rejection, Koakutsu and Templeton, in view of Repak**

Claims 4 and 16 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Koakutsu, as modified by Templeton as applied to claims 1 and 13 above, and further in view of U.S. Patent Publication No. 2003/0229586 of Repak (hereinafter "Repak"). Applicants respectfully request withdrawal of the rejection and allowance of the claims for at least the reason that claims 4 and 16 each depend upon a base claim that is thought to be allowable as discussed in detail above.



**35 U.S.C. § 103 Rejection, Koakutsu in view of Repak**

Claims 30, 47, 64, and 81 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Koakutsu in view of Repak. Applicants respectfully request withdrawal of the rejection and allowance of the claims for at least the reason that claims 30, 47, 64, and 81 each depend upon a base claim that is thought to be allowable as discussed in detail above.

**CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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